

FOX THEATRE

■ ATLANTA ■

MEETING OF THE BOARD OF TUSTEES OF ATLANTA LANDMARKS, Inc.

Wednesday, June 6, 2012

4:00 PM

In attendance: Woody White; Sylvia Anderson; Clara Axam; John Busby; Beauchamp Carr; Rodney Cook; Ada Lee Correll; Richard Courts; Keith Cowan; Bob Foreman, Julia Grumbles; Sheffield Hale; Ed Hutchison; Walt Huntley; Craig Jones; Starr Moore; Jay Myers; Joe Patten; Glen Romm; Alan Thomas; Carolyn Wills

Honorary: Edgar Neiss

Fox staff: Allan Vella; Adina Erwin; Kris Delaney; Shelly Kleppsattel

1) CALL TO ORDER: Mr. White called the meeting to order and expressed appreciation for everyone taking time to attend. Mr. White stated that the Committee reports should be informative.

2) APPROVAL OF THE MINUTES: Mr. White discussed the Bylaws and Board terms as well as the recent realization that the slate elected in 2011 was also elected in 2010. Mr. White referred to a corrected Term Sheet (distributed to all attendees and now attached and made a part of these minutes). Mr. White asked for a motion to approve the amended Term Sheet and Ms. Grumbles moved to approve the motion; this was seconded and passed unanimously. The November 2011 minutes passed as amended.

Mr. White then reviewed the history of saving, preserving and operating the Fox Theatre Mr. White spoke about the Long Range Plan put into place ten years ago and reminded members that a new Long Range Plan was developed in the past year.

3) REPORT OF THE LONG RANGE PLANNING COMMITTEE / Keith Cowan, Chair

Mr. Cowan first thanked the members of the Long Range Planning Committee and also noted that the development of the new Plan would not have been possible without the participation of McKinsey and Company. Committee members include Clara Axam, Julia Grumbles, Craig Jones, Glen Romm, Woody White and Allan Vella.

Mr. Cowan discussed the development of the Plan which began in the summer of 2011. Following the extended process a "Plan on a Page" was developed and approved by the Executive Committee in March 2012. Mr. Cowan noted that management of the Fox Theatre has already begun to put some of the Plan initiatives in place.

Mr. Cowan then asked Mr. Vella to comment on the new Plan and Mr. Vella discussed the strategic initiatives as related to the entertainment industry in Atlanta. Mr. Vella also discussed the Atlanta market and the significant changes that have taken place over the years in terms of industry consolidation, venue construction and promoter/ticketing alignments.

Mr. Vella then highlighted key elements of the Long Range Plan and subsequent execution strategies including financial transparency, investment fund disbursement, including the establishment of a business development fund, marketing and communication strategies, enrichment programs and giving opportunities.

Mr. Vella stressed the need for the Fox to move forward and said that the Plan provides a destination for management in an ever-changing and competitive environment. Mr. Vella then asked for any questions.

Mr. Courts asked about the change in the dollars from a consumer standpoint and Mr. Vella responded that it is expensive for patrons to go out and also stated that artist guarantees have increased as a result of the fact that CD sales have decreased and artists are looking for ways to make up for that revenue shortfall

Mr. Cowan indicated that it is appropriate to review a Strategic Plan on a regular basis and said that the Plan on a Page as presented is for the next fiscal year (2012-2013).

Mr. Courts motioned to approve the Plan, this motions was seconded and passed unanimously by all members in attendance. Mr. White recognized the Long Range Planning Committee members and McKinsey and Company for their efforts and also stated that the value received pro bono from McKinsey and Company is probably in the range of \$500,000.

Mr. Foreman asked if a resolution should be passed to thank McKinsey and Company and moved to do so which was seconded and passed unanimously. Mr. White will send a letter of thanks to Renee Dye of McKinsey and Company expressing thanks on behalf of the Board of Trustees

4) GOVERNANCE COMMITTEE / Alan Thomas, Chair

Mr. White stated that the Long Range Plan raised the question of process of fiduciary responsibilities and indicated that there is now an opportunity to address a number of issues which resulted in the development of a Governance Committee, chaired by Alan Thomas. Committee members include Keith Cowan, Julia Grumbles, Sheffield Hale and Ed Hutchison.

Mr. Thomas spoke briefly about the goals of the Governance Committee and indicated that six proposals will be placed before the Board of Trustees for approval. The six proposals will help achieve the three objectives of enhancing brand recognition, increasing the involvement of the Board and increasing the recognition of the professional staff.

The six proposals for change are as follows:

- Institute a name change from Atlanta Landmarks, Inc. to The Fox Theatre, Inc.
- Restructure the current Board to have a roster of no more than twenty members with election taking place in November 2012. All other Board members would be considered retired.
- All retired Board members would be elected to an Emeritus Board.
- The Board rank of President would be discontinued and the Chairman would assume the duties previously executed by the President.
- Disband the Executive Committee and instead establish 4-6 standing committees with every Board member on the roster of at least one committee. (The new Board of up to twenty people Board would replace the Executive Committee).
- As of November 2012 the title of "General Manager" would be replaced with "President & CEO".

Mr. Thomas provided insight into the purpose and decision making thoughts behind these changes and summarized for all attendees. Mr. Thomas also reminded everyone that each member of the Board has fiduciary and other responsibilities to the Fox Theatre under Georgia law.

Mr. Thomas then moved that the six proposals be adopted and Ms. Axam seconded the motion.

Ms. Moore asked about the roles of President and Secretary and Mr. White responded that there currently is a Secretary. Mr. Hale indicated that the two roles could be filled by one person.

Mr. Carr asked if each Committee will have a Chair and Mr. White said yes and also outlined some of the possible Committees. Mr. Carr also commented that some of our publications (i.e. show programs) would have to be modified to reflect the new titles.

Mr. Busby recognized all of the work involved with this and stated that it will create an environment of efficiency.

Mr. Busby recognized the motion to pass the six proposals put forth by Mr. Thomas.

There being no opposition, the motion to enact the six proposals passed unanimously.

Mr. White thanked everyone and said that the Governance Committee will now begin the legal process of changing the Bylaws etc. as well as start interacting with the current Board of Trustees so that the November meeting will take place with an understanding of the changes that will be proposed.

5) GENERAL MANAGER'S REPORT / Allan Vella

5a. TICKETING. Mr. Vella reminded members that the Fox has established an in-house ticketing operation and briefly reviewed the history on the selection of Paciolan as the provider. The new FoxAtITix brand was displayed and Mr. Vella announced that 32,000 tickets have been sold since the inception of FoxAtITix. All Theater of the Stars shows are being sold through the new ticket brand.

5b. PROGRAMMING. Mr. Vella indicated that a new 2-year agreement has been signed with the Atlanta Ballet for THE NUTCRACKER and also listed other upcoming performances.

5c. OUTREACH COMMITTEE REPORT / Allan Vella for Clyde Tuggle, Chair

Mr. Vella stated that AileyCamp is underway and both Camp Broadway and Rising Stars are also scheduled for the summer. Mr. Vella thanked Ms. Wills for creating a new fundraiser for the Variety Club of Georgia called Stars of Tomorrow which was successful.

5d. MARKETING COMMITTEE / Julia Grumbles, Chair

Ms. Grumbles discussed the Fox's social media efforts and reported that numbers have increased to over 64,000 on Facebook and 13,000 for Twitter.

Ms. Grumbles also announced that the Fox has been ranked 7th in the top 100 socially connected companies. The Fox has received a \$10,000 per month grant from Google – Google is moving into the local markets in order to target their customers and this will allow the Fox to gather data as well.

Ms. Moore asked how long the \$10,000 typically lasts and Ms. Grumbles stated that the cost to purchase advertising from Google is about \$330 per day. Mr. Myers asked if the rankings have changed as a result of Google ads and Ms. Grumbles said it has only been a couple of weeks and therefore too soon to measure results.

Mr. White discussed the changes in how tickets are sold and Mr. Vella indicated that over 70% of tickets are purchased online. Ms. Delaney (Director of Marketing & PR for the Fox Theatre) discussed how search engines work as well as the Theatre's goals to consistently be listed as the top search result.

5e. FINANCE & INVESTMENT COMMITTEE / Ed Hutchison, Chair

Mr. Hutchison reported that the Theatre's financial situation is good and that this year is a satisfactory year, ending with about \$500,000 net which Mr. Hutchison attributed to the quality of the facility and the management staff.

Mr. Hutchison also said that the primary dedication of funds is to maintain the theatre, and reported that about \$33M has been spent since the purchase of the building in the 1970's.

Mr. Hutchison reported that insurance is being reviewed to determine if the current coverage is sufficient. The investment account is at \$8.9M and historically this account has not been designated for a specific purpose although there has always been a goal to maintain an investment account. The account is reviewed twice a year with the financial advisor.

Mr. Hutchison concluded by stating that the net cash position is improving both operationally and through expenditures.

6) ASSISTANT GENERAL MANAGER'S REPORT / Adina Erwin

6a. FOX THEATRE INSTITUTE / Clara Axam, Chair

Ms. Erwin made a brief report regarding the Fox Theatre Institute, discussed the work plan and outlined the main focus of FTI. The Preservation Handbook has been completed and is available online – this has received a good response from aligned organizations. A new video was played for members – this video tells the story of the Fox Theatre Institute and is available for viewing on the Fox Theatre and Fox Theatre Institute websites.

Mr. Carr asked if any of the theaters that FTI is involved with have pipe organs and Ms. Erwin responded that two FTI member theaters have pipe organs.

Mr. White stated that FTI is very important to the mission of the Fox Theatre and thanked Mr. Vella, Ms. Erwin and the FTI team.

6b. FOX PRESERVATION COMMITTEE REPORT / John Busby, Chair

Ms. Erwin reported on behalf of Mr. Busby. Capital improvements continue to be made throughout the facility. Seat reupholstery is underway and significant steps in furniture conservation have been made over the past year. The signage project is underway which will enhance the patron experience. Ms. Erwin then announced that Mr. Ken Double has joined the Fox Preservation Committee – Mr. Double will assist with the development of a long range plan for the “Mighty Mo” starting FY 2012-2013.

- 7) Old Business
There was not any old business.
- 8) New Business
There was not any new business.

There being no further business Mr. White adjourned the meeting.

ATLANTA LANDMARKS BOARD of TRUSTEES TERMS

For ratification at June 6, 2012 Board Meeting

Term: 2010-2012

Robyn Barkin
Beauchamp Carr
Keith Cowan
Robert Foreman
Julia Grumbles
Walter Huntley
Ed Hutchison
Jay Myers
Joe Patten
Glen Romm
Alan Thomas

Term: 2011-2013

Clara Axam
John Busby
Ada Lee Correll
Richard Courts
John Holder
Craig Jones
Sylvia Russell
Clyde Tuggle
Woody White
Carolyn Wills

Term: 2012-2014

Sheffield Hale
Florence Inman
Steve Koonin
Charles Lawson
Robert Minnear
Starr Moore
Carl Patton
Nancy Simms